number portability together that have been defined by [the OBF]," is misleading.[101] The only "mainframe" version of the EDI interface currently offered by BellSouth, the "Phase I" EDI interface, cannot be used to order any UNEs or UNE combinations, because it lacks such capability.[102] Mr. Stacy himself acknowledges that BellSouth has received no UNE orders via the EDI interface. Stacy OSS Aff., ¶ 58. He has previously acknowledged that "the unbundled network element, similar to some of our other complex services, is a service that BellSouth does not provision entirely without human intervention yet."[103] UNE orders simply "fall out" of the system at the BellSouth Local Carrier Service Center ("LCSC"), where BellSouth representatives then analyze the order and manually re-type the order into their systems,[104] thereby delaying the

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[101] Mr. Stacy concedes that BellSouth's Exchange Access Control and Tracking ("EXACT") system can be used only to order "infrastructure elements, such as trunking." Stacy OSS Aff., ¶ 58.

[102] Although BellSouth's stand-alone, personal computer-based "PC EDI" interface has the capability of placing orders for some UNEs, the orders "fall out," and are manually processed and re-typed by a BellSouth representative, once they enter BellSouth's systems. Stacy OSS Aff., ¶ 53 (distinguishing between "PC EDI" software package supplied by third-party vendor and "mainframe" EDI interface with presentation system developed by CLEC). Indeed, notwithstanding Mr. Stacy's broad assertion that the EDI interface supports ordering of loops, ports, and interim number portability, BellSouth admitted in its own September 15, 1997 report to the Department of Justice that only certain limited types of these items can be ordered via EDI, and many other types cannot. Id., Exhs. WNS-30 & WNS-52, pp. 52-54.

[103] See testimony of William Stacy in Docket No. 97-101-C, transcript of July 8, 1997, proceedings, pp. 38-39. Similarly, BellSouth acknowledged in September 1997 in the Florida Section 271 proceeding that all of the orders that it has received for unbundled loops "required manual processing." BellSouth's Responses to AT&T's Second Set of Interrogatories in Docket No. 960786-TL (Fla. PSC), Response to Item No. 36 (Attachment 26 hereto).

[104] LENS does not even have a service field for UNEs. To order UNEs on LENS, a CLEC must use fields intended for resellers and type in the "remarks" portion of the order that the order is for

provision of service and increasing the risk of error.

185. In addition, Mr. Stacy's promise that mechanized service order generation for "the main UNEs (loop, port, INP, loop+INP) will be available as of October 6, 1997," is irrelevant. Stacy OSS Aff., ¶ 58; see also id., ¶ 59. First, even if BellSouth adheres to its schedule (which is highly suspect in light of its contrary public statements),[105] that commitment does not alter the fact that as of the date its application was filed, BellSouth's systems did not process UNE orders without manual intervention, and thus any promises of future performance should be disregarded. Second, any flow-through capability for UNE orders over the EDI interface will be limited to PC EDI (which itself requires manual intervention),[106] because the "mainframe" Phase I EDI interface (the only "mainframe" interface currently available) does not have the capacity to order UNEs.

186. Mr. Stacy's assertion that BellSouth has conducted internal testing for loops, ports, and INP is inadequate on its face to substitute for actual commercial usage, and in any event is factually unsupported. See Stacy OSS Aff., ¶ 58. BellSouth's sole evidence of testing of its interfaces for UNEs is a series of four virtually unreadable pages apparently showing

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UNEs. Because of the current design of BellSouth's systems, however, any order with such remarks will not electronically flow through to BellSouth's legacy systems.

[105] Only days before Mr. Stacy filed his affidavit, BellSouth stated in materials that it distributed to the news media in connection with its forthcoming application that "plans call for UNE flow-through on a limited basis by December of this year." See "BellSouth's Commitment To Local Competition -- Operational Support Systems and Competitive Customer Interfaces," BellSouth document issued September 1997, p. 12 (Attachment 39 hereto).

[106] See fn. 102, supra.

a total of four orders for these loops, ports, and INP as they were generated by LESOG in internal testing. BellSouth has presented no other evidence of such testing, or its results. See Stacy Aff., ¶¶ 58, 117 & Exh. WNS-28.[107] BellSouth has previously acknowledged that it has performed no testing of EXACT (one of the two interfaces that it purports to offer for the ordering of UNEs) with CLECs, rationalizing that EXACT has "been operational for IXCs."[108]

2. Maintenance and Repair

187. As in the case of resale, Mr. Stacy states that CLECs purchasing UNEs will have access to two existing BellSouth interfaces for maintenance and repair: the Trouble Analysis Facilities Interface ("TAFI") that BellSouth uses to handle trouble reports for both business and residential basic local exchange services; and the T1M1 electronic bonding interface ("T1M1 EBI"), which interexchange carriers currently use to report troubles for access services. Stacy OSS Aff., ¶ 82. However, those interfaces encompass only some of the UNEs that CLECs may purchase from BellSouth.

188. TAFI is available only for UNEs that can be associated with a telephone number, such as ports. As Mr. Stacy has previously acknowledged, it cannot be used for such

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[107] As discussed below, the "testing" described by BellSouth's witness Milner was not only purely internal testing, but did not even involve BellSouth's interfaces. As described in the affidavit of AT&T's witness Ray Crafton, BellSouth has frustrated the attempts of AT&T to test the ability of BellSouth to provision UNE combinations.

[108] See Attachment 26 hereto, BellSouth's Responses to AT&T's First Set of Interrogatories in Docket No. 960786-TL (Fla. PSC), Response to Item No. 10(c), (e).

UNEs as unbundled loops.[109] The currently offered T1M1 EBI interface can be used for some -- but apparently not all -- network elements; Mr. Stacy states only that this interface can be used for "designed (circuit ID based) services, such as resold complex private line services, or interconnection trunking and designed UNEs." Id., ¶ 82. To the extent that a CLEC wishes to report a trouble for a UNE not served by these interfaces, it must do so by telephoning a BellSouth repair representative -- unlike BellSouth, which uses TAFI for its retail customers. Id., ¶ 86.

189. Furthermore, as in the case of the ordering interfaces, TAFI and the T1M1 EBI require a substantial degree of manual processing. Because of TAFI's inability to interconnect electronically with CLEC systems, any CLEC using TAFI is required to input the same data into both BellSouth's system and its own OSS. The currently-offered EBI interface does not have electronic flow-through capability for UNE orders, because BellSouth has not yet coded its systems to process those types of maintenance orders. Thus, any local order sent via the T1M1 EBI involving UNEs will "fall out" of the system at a BellSouth office for manual processing by a BellSouth representative. Furthermore, because of lack of flow-through capability, status reports on orders sent via the T1M1 EBI must be requested and received by telephone.

190. BellSouth cannot reasonably contend that these interfaces provide parity of access. BellSouth can submit orders and obtain status electronically for all of its maintenance

[109] See Testimony of William Stacy in Docket No. 97-101-C (South Carolina PSC), transcript of July 8, 1997, proceedings, pp. 55-58 (Attachment 40 hereto).

needs. The current interfaces not only fail to support all UNEs, but require substantial manual processing. Such deficiencies mean that repairs and maintenance will be provided to CLEC customers in a less timely and accurate manner than to BellSouth's own customers, and thus deny CLECs a meaningful opportunity to compete.

3. Billing

191. BellSouth does not provide UNE purchasers with nondiscriminatory access to billing and billing information. It is my understanding that BellSouth does not yet have the capability to record usage data or generate mechanized bills for many UNEs. Mr. Hollett appears to concede this deficiency when he states that daily usage information is available for "some" (i.e., not all) UNEs. Hollett Aff., ¶ 8. As Mr. Crafton describes in his affidavit, although BellSouth's witness Milner asserts that since August 14, 1997, BellSouth has had the capability of mechanically producing a bill for local originating minutes of use for switching, it does not appear that BellSouth has generated a bill in this format to date. See Milner Aff., ¶ 52. Moreover, BellSouth has not even asserted that it can provide access records that would enable AT&T to bill access charges on interstate calls originating or terminating to AT&T customers served with UNE combinations. In view of BellSouth's ability to provide record usage data and billing for itself in its retail operations, its failure to do so in the context of UNEs is a denial of the parity required by the 1996 Act.

* * *

192. In summary, the numerous deficiencies in the interfaces supporting UNEs not only deny parity of access, but also contravene the Commission's requirement that the OSS

functionalities provided by a CLEC "must support each of the three modes of entry and must not favor one strategy over another." Ameritech Michigan Order, ¶ 133. Here, as in the Ameritech case (see id., ¶ 215), the interfaces offered by the BOC to support UNEs are even farther behind in providing parity of access than the interfaces supporting resale. For these reasons, the BellSouth interfaces do not provide the support for UNEs required by the competitive checklist.

IV. ACTUAL USAGE OF BELLSOUTH'S INTERFACES TO DATE CONFIRMS THAT THEY ARE NOT OPERATIONALLY READY TO PROVIDE NONDISCRIMINATORY ACCESS.

193. Both in its dealings with BellSouth and through discovery in Section 271 proceedings before state commissions, AT&T has requested BellSouth to provide performance data on its interfaces, including data showing the number and percentage of orders processed manually by BellSouth as compared to the performance of its own retail operations. BellSouth, however, has largely declined to produce such data, even through the testimony of its witnesses in this proceeding. Nonetheless, the data that BellSouth has produced, together with AT&T's own experience, show that the interfaces are not operationally ready to provide nondiscriminatory access. BellSouth's lack of readiness is further reflected by its failure to perform adequate testing of its interfaces. BellSouth's own third-party consultant has found serious deficiencies in BellSouth's order processing system that preclude BellSouth from providing parity of access.

A. Pre-Ordering

194. As discussed in Part II, supra, Bell South has made regular and repeated changes in LENS throughout 1997, and has failed to provide new entrants with complete technical specifications. This instability, by itself, has precluded LENS from becoming

operationally ready.

195. The instability in LENS is further reflected in AT&T's own experience with LENS. During LENS demonstrations for AT&T and the industry conducted by BellSouth on May 5 and May 13, 1997, BellSouth's employees referred to and commented on at least 28 corrections and enhancements to LENS (which is not a complete list of LENS deficiencies), which they characterized as being either required to fix known problems, improve operations and usefulness, or planned to provide parity with existing BellSouth OSS.[110] Many of these "corrections and enhancements" remain incomplete.

196. Moreover, although BellSouth has claimed that LENS first became available on April 28, 1997, it took AT&T almost seven weeks of dealings with BellSouth after that time (until June 17, 1997) even to obtain dial-up access to LENS. Full Local Area Network to Local Area Network connectivity to LENS, which AT&T needs to support its local exchange operations, was unavailable until July 15, 1997.[111] These experiences, at a minimum, cast doubt of the operational readiness of LENS and on the adequacy of BellSouth's alleged internal testing.

B. Ordering and Provisioning

197. BellSouth's own data regarding the performance of its ordering and provisioning interfaces shows that their performance is seriously deficient. Data that BellSouth

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[110] Attachment 41 hereto describes the current status of the LENS "corrections and enhancements" described last May by BellSouth personnel.

[111] The third method of access to LENS, Internet access using web browsers, is simply too slow for a CLEC with large volumes of transactions, such as AT&T. See Stacy OSS Aff., ¶ 10.

has produced to AT&T and in this proceeding show that those interfaces fail to provide parity of access in the timeliness of FOCs and rejection notices, and in the degree to which CLEC orders flow through BellSouth's systems.[112]

198. **Timeliness of Firm Order Confirmations.** BellSouth's performance in returning FOCs has been both inadequate and unstable. BellSouth, through data submitted to AT&T, has conceded that it fails to return significant numbers of FOCs even within the 24-hour interval to which BellSouth has committed itself. See Interconnection Agreement, § 28.5.3.

199. In the first report that it submitted to AT&T pursuant to Attachment 12 of the Interconnection Agreement, BellSouth conceded that during the month of August 1997, 38 percent of FOCs were returned more than 24 hours after receipt, and only 43 percent were returned within four hours.[113]

200. BellSouth's data also shows that its performance in returning FOCs is inconsistent and unpredictable. During August 1997, the percentages often fluctuated substantially from day to day, ranging from 18 percent to 84 percent. On some days (such as August 13 and August 18) the percentage of FOCs processed within 24 hours changed as much as 39 percent from the previous day, even though the daily volumes of orders was essentially the

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[112] Mr. Pfau demonstrates in his affidavit that the data in Mr. Stacy's affidavit on performance measurements either is unreliable or shows that BellSouth's performance is inadequate.

[113] See "AT&T Measurements -- Attachment 12, Section 2 -- Firm Order Confirmation -- Item 2.4 -- August Data," provided September 15, 1997, p. 36 (Attachment 42 hereto). As Mr. Pfau describes in his affidavit, this data belies Mr. Stacy's contention that FOC provisioning data is "not available at this time." Stacy OSS Aff., ¶ 43.

same.[114] Moreover, the BellSouth August 1997 data shows that there was no correlation between the percentage of FOCs returned on a particular day and volumes of orders.[115]

201. BellSouth's lack of timeliness in returning FOCs cannot be at parity with those of its retail operations. Although BellSouth has produced no data on its own operations, it cannot take BellSouth's retail system more than a few seconds to receive the equivalent of an FOC.[116] Furthermore, as Mr. Pfau demonstrates in his affidavit, BellSouth's performance should be 100 percent -- not the 62 percent it acknowledges -- since its 24-hour return period is so lengthy and its analysis excludes orders that are processed manually.

202. BellSouth's deficient, erratic performance in returning FOCs is a clear denial of parity and a substantial impediment to competition. Because AT&T cannot obtain a calculated due date in the pre-ordering process (as a result of its use of the EDI interface for ordering), BellSouth's performance means that in a substantial percentage of cases AT&T is unable to determine the exact date of installation for more than 24 hours, much less be able to advise its customers of that date.

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[114] See "AT&T Measurements -- Attachment 12," supra, Item 2.4, p. 36 (Attachment 42 hereto).

[115] For example, although the number of orders on August 22 was more than ten times that of the previous day (169 versus 16), the percentage of FOCs returned within 24 hours on August 22 increased to 84 percent, as compared to 69 percent for August 21. On August 25, the number of orders was 240, a decrease of more than 50 percent from the previous day; yet the percentage of FOCs sent within 24 hours decreased to 43 percent, from 52 percent on the previous day. Id.

[116] The Commission has indicated that this period of time would be the time that elapses between when a BellSouth order is placed in its legacy systems and when the order is recognized as a valid order by the legacy systems. Ameritech Michigan Order, ¶ 187 n.479. In the automated systems which BellSouth uses in its retail operations, that period is likely to be exceedingly brief.

203. **Timeliness of Rejection Notices.** Prompt notification of rejections of orders is clearly important to a CLEC, in order to be able to make the necessary corrections and avoid further delay. As the Commission has indicated, such notice should be "relatively instantaneous," like the notice provided to BellSouth's service representatives. Ameritech Michigan Order, ¶ 188. In fact, the Interconnection Agreement obligates BellSouth to use its best efforts to notify AT&T of errors within one hour of receipt. Interconnection Agreement, § 28.6.4.1.

204. However, the reports that BellSouth submitted to AT&T in September under the Interconnection Agreement state that only six percent of the notices of reject or error status were sent to AT&T within one hour of receipt.[117] This is clearly unacceptable, since the on-line edits in BellSouth's own systems instantaneously advise BellSouth representatives of any errors and prevent them from releasing orders until the errors have been corrected.

205. **Percent Flow-Through.** BellSouth's own data demonstrates that most of the orders submitted by CLECs are manually processed by BellSouth personnel. Despite the testimony of BellSouth's witnesses regarding the number of UNEs provided by BellSouth, the fact remains that -- by BellSouth's own admission -- all orders for UNEs have been processed manually.

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[117] See "AT&T Measurements -- Attachment 12, Section 2 -- Error or Reject Status -- Item 2.5, August Data," provided September 15, 1997 p. 37 (Attachment 42 hereto). Mr. Pfau demonstrates in his affidavit that, as in the case of Mr. Stacy's assertion regarding the unavailability of FOC data, Mr. Stacy's assertion that performance data on the timeliness of its "order reject/error" notices is "not available at this time" is belied by BellSouth's September 1997 report. Stacy PM Aff., ¶ 43.

206. BellSouth's data also demonstrates that a majority of CLEC orders fail to flow through BellSouth's systems. In response to interrogatories propounded by AT&T in the Florida Section 271 proceeding, BellSouth stated that the flow-through rates for July and August 1997 (the only months for which, BellSouth claimed, such data was available) were only 26.2 percent and 33.7 percent, respectively. A copy of the BellSouth chart is attached to my testimony as Attachment 26 (response to Item No. 1). The weekly flow-through rate for each of the nine weeks in this two-month period never exceeded 40.4 percent. In other words, a majority of the orders sent to BellSouth fell out of the system and had to be manually processed every week during this two-month period.[118]

207. The flow-through rates presented by Mr. Stacy are very similar to those described in BellSouth's discovery response in the Florida proceeding -- only **[xx]** percent for July and **[xx]** percent for August. Stacy Aff., ¶¶ 111-112 & Exh. WNS-41. Mr. Stacy's attempts to excuse these low rates by citing purported "CLEC caused errors" is baseless. Id. Mr. Stacy makes no attempt to identify the "CLEC caused errors" that he describes.[119] Nor has he provided,

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[118] The overall flow-through rates increased to some extent during August, reaching 40.4 percent in the final week of that month. Attachment 26 (response to Item No. 1). The increase was due to a change in the LEO gateway implemented by BellSouth on August 19, which -- in contrast to BellSouth's past practices -- now enables an order to pass through LEO even if the address in the order differs in minor respects from the address listed in RSAG. Even with the RSAG change, however, the flow-through rate remained well below 50 percent.

[119] The accuracy of the number of "CLEC errors" in Attachment 12 is also suspect. For example, the number of total errors listed in Exhibit WNS-41 for the CLEC designated "F" (most likely AT&T) for the month of August is several times the number of total errors that BellSouth listed for AT&T for that month in the report that BellSouth submitted to AT&T under Attachment 12 of the Interconnection Agreement. See Attachment 42, "AT&T Measurements -- Attachment 12,

much less described, the "BST analysis" or "SOER error analysis" on which he purportedly relied. Id. And, not surprisingly, he offers no basis for his conclusion that if the "CLEC errors" were eliminated, the projected flow-through results would be 53 percent for July and 91 percent for August. Id., ¶ 112.

208. What Mr. Stacy baldly characterizes as "CLEC caused errors" may well be the fault of BellSouth itself. Mr. Stacy himself acknowledges that 50 percent of the total errors in July, and 13 percent of the total errors in August, were caused by BellSouth. Id., ¶ 112. AT&T's own experience has shown that a number of AT&T orders were rejected for errors because BellSouth had not provided AT&T with the business rules necessary to avoid such errors. See ¶¶ 141-170, supra. CLEC orders may also fall out because BellSouth has programmed its systems to cause certain types of CLEC orders (such as split accounts) to be subjected to manual review. See Ameritech Michigan Order, ¶¶ 175-176. If such is the case, it is not a problem caused by CLECs. In any event, Mr. Stacy's characterization of the errors as "CLEC caused" is inconsistent with his assertion that the reduction of these errors in August is due to BellSouth's actions in "fix[ing]" its systems.[120]

209. Mr. Stacy's rationalizations cannot change the fact that less than one-third of the orders submitted via BellSouth's interfaces flow through to its legacy systems. Even Mr.

Section 2 -- Error or Reject Status -- Item 2.5," p. 37, submitted September 15, 1997.

[120] Stacy OSS Aff., ¶ 112. Significantly, although he asserts that BellSouth fixed all nine of the "error conditions" that he identifies by September 1, Mr. Stacy has provided no weekly data for the first three weeks in September to substantiate his claim -- as one would have expected him to do, since BellSouth provided weekly data in its discovery responses.

Stacy, in acknowledging that BellSouth will continue its error correction process "until the error rate improves to more acceptable levels," implicitly concedes that BellSouth considers its flow-through rate to be unsatisfactory. Stacy OSS Aff., ¶ 111.

210. The flow-through data supplied by BellSouth appears to be only part of the manual processing story. In discovery responses that it submitted in Florida, BellSouth stated that between January 1 and July 31, 1997, it received a total of 130,023 resale orders, of which 118,952 were "processed to completion."[121] If, as BellSouth stated in other discovery responses in the same proceeding, only slightly more than 6,500 orders were sent via LENS and EDI through August 18, this means that more than 100,000 resale orders were submitted by facsimile, and manually processed by BellSouth's Local Carrier Service Center, during this period. That volume represents more than 95 percent of all resale orders submitted and processed. BellSouth itself has conceded that "most orders to date have been received in a manual fashion."[122]

211. In previous state § 271 proceedings, BellSouth has suggested that the high number of manually submitted orders is due to the "choice" of CLECs to send them by facsimile, rather than by BellSouth's interfaces. I cannot agree. Although I (like BellSouth) have no access to the internal decision-making processes of other CLECs, it seems unlikely that CLECs simply

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[121] See Attachment 26, BellSouth's Response To AT&T's First Request For Production of Documents in Docket No. 960786-TL, Response To Items 8(d) and 8(e); Attachment 26, BellSouth's Response To AT&T's Second Set of Interrogatories in Docket No. 960786-TL (Fla. PSC), response to Item No. 38.

[122] See Attachment 26, BellSouth's Responses To AT&T's First Set of Interrogatories in Docket No. 960786-TL (Fla. PSC), response to Item No. 29.

"chose" to send more than 100,000 orders by facsimile, rather than through electronic interfaces. Even if such were the case, the submission by facsimile suggests that the CLECs were unable to use the BellSouth interfaces because of problems attributable to BellSouth, such as lack of access, inadequate performance, lack of training, or lack of knowledge of specifications and business rules.

212. The high volume of orders manually submitted to, and processed by, BellSouth's LCSC is particularly troubling because, as BellSouth's own third-party consultant has found, BellSouth has failed to provide adequate training to the LCSC personnel who are responsible for handling and processing such orders.[123] Proper training of LCSC personnel is essential for timely, efficient, and reliable processing of CLEC orders, particularly because it appears that most of the orders from CLECs are received manually by the LCSC -- and therefore must be re-entered by LCSC personnel into BellSouth's OSS.[124] In these circumstances, inadequate training at LCSC is likely to result in substantial errors and delays in provisioning CLEC orders.

213. A study conducted of LCSC's two offices in Atlanta and Birmingham in 1997 by an outside consulting firm retained by BellSouth, DeWolff, Boberg and Associates

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[123] Mr. Scheye has previously described the LCSC as "the interface with the [CLECs] for orders," and "sort of the people behind the [operations support] systems." Transcript of hearing held September 2, 1997, in Docket No. 960786-TL (Fla. PSC), p. 676 ("Florida Section 271 transcript") (Attachment 43 hereto).

[124] See BellSouth's Response to AT&T's First Set of Interrogatories, filed August 11, 1997, in Docket No. 960-786-TL (Fla. PSC), response to Item No. 29 ("most orders [from CLECs] to date have been received in a manual fashion") (Attachment 26 hereto).

("DeWolff"), confirms that LCSC personnel have not been adequately trained.[125] In its first report, prepared in March 1997, DeWolff found serious deficiencies in LCSC's performance. Among other things, DeWolff found that: (1) LCSC supervisors were inadequately trained and gave inadequate, passive supervision to their subordinates; (2) employees were "not effectively trained to maximize their skills," a situation that was "especially acute" as LCSC began to ramp up operations; (3) DeWolff had "repeatedly" observed "employee skills deficiency and errors which is negatively impacting both productivity and quality," the level of which "is unnecessarily low"; (4) more than half of the LCSC employees were not qualified, or only marginally qualified, to perform their functions; (5) the low level of quality was inflating LCSC's operating costs, and contributing to delays in customer service; (6) excessive errors and rework were lowering the quality of LCSC's service, due to missed dates and excessive lead times; and (7) LCSC lacked adequate documentation of its processes so that it could be used as a training tool.[126]

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[125] The Interconnection Agreement requires BellSouth to provide AT&T with the capability of having its orders input to, and accepted by, BellSouth outside of normal business hours, 24 hours a day, 7 days a week. That capability is to be provided by LCSC, to the extent necessary, until electronic interfaces are fully available. See Interconnection Agreement, §§ 28.6.10.0 - 28.6.10.3. However, Mr. Stacy indicates that LCSC is not open on a 24-hour-a-day, 7-day-a-week basis. Stacy OSS Aff., ¶ 133 (stating that LCSC "can expand their work hours to twelve hours for six days a week") and Exh. WNS-47 (basing LCSC capacity on a 7.5-hour day).

[126] Attachment 44, letter dated from Paul J. Buchert and James LaRue (DeWolff) to Edward A English, dated March 13, 1997 ("DeWolff March 13 report"). DeWolff also found that as a result of these problems, LCSC service representatives were either not working or not in their work area nearly 40 percent of the time. A copy of the March 1997 report of DeWolff, along with copies of the reports issued by DeWolff on May 9, July 8, and August 15, 1997, are attached to my testimony as Attachment 44. It appears that the DeWolff study was limited to the LCSC's handling of resale requests. Mr. Scheye has previously admitted that, to the best of his knowledge, no study or test has been conducted of the LCSC's performance in regard to

214. A subsequent report issued on July 8, 1997 by DeWolff found that LCSC was still experiencing serious operational deficiencies. The report found, for example, that the LCSC was rejecting almost 65 percent of the local service requests submitted by AT&T and MCI and returning them to these carriers for "clarification." The rejected requests were returned to these carriers an average of 1.7 times -- meaning that, on average, local service requests were being returned almost twice to the two CLECs before the order was finally processed. DeWolff found that this amount of time to process an order, including "clarification," was more than twice what it should take without the rework. Although the report suggested that at least some of the problem was due to errors by these CLECs, it noted that no process existed "to provide feedback to the CLECs about their level of incomplete/incorrect orders."[127]

215. Although BellSouth has claimed that the problems found in the March and July reports of DeWolff have been corrected,[128] an August 15, 1997, follow-up report by DeWolff indicates that training problems still exist at LCSC. The report states that DeWolff is "developing a new training organization [for LCSC] that is responsible for the employee's continuing development process," and that a training manual containing the processing work instructions and process flows had only recently been completed. The "continuous development process," which

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unbundled network elements. See Attachment 43, Florida Section 271 transcript (September 3, 1997 hearing), pp. 1021-1022.

[127] July 8, 1997, DeWolff Report, p. 2-3 (Attachment 44 hereto).

[128] See Stacy OSS Aff., ¶ 70 (stating that LCSC has made "some procedural improvements to ensure they handle orders promptly").

is intended to evaluate the quality and efficiency of LCSC service representatives, was "still in process."[129] Although these statements leave no doubt that additional training of LCSC personnel is needed, the report also states that training time for personnel handling single line resale will be reduced from six weeks to two weeks -- with an additional three days of training for those "who do not pass the work simulation." Even less training will be provided to part-time personnel who make up part of the LCSC work force.[130]

216. The DeWolff reports show that, even today, training of the personnel at LCSC -- the entity that processes CLEC orders -- is inadequate. LCSC has only recently begun to take some of the steps that are necessary for proper training and proper performance of its duties. In fact, any gains that might be realized in training from these steps are likely to be offset by other actions recently taken by LCSC, including the reduction in training time and the employment of part-time personnel with cursory training. The inadequate training that BellSouth has given to LCSC personnel will simply increase the delays and errors that occur as part of manual processing.[131]

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[129] Memorandum from James LaRue (DeWolff) to Krista Tillman (BellSouth), entitled "Executive Update -- Phase III -- Adjust and Follow Up," dated August 15, 1997 ("DeWolff August 15 report"), pp. 3-5 (Attachment 44 hereto).

[130] DeWolff August 15 report, p. 9 (Attachment 44 hereto).

[131] Despite BellSouth's assertions that the problems at the LCSC described in the DeWolff reports have been eliminated, AT&T's experience during the week beginning September 29 indicates that those problems still exist. On September 26, after the parties discovered that the LEO Guide contained the wrong USOC for ordering Caller ID Blocking (¶ 161, supra), BellSouth agreed that AT&T could continue to send orders using that USOC, and that LCSC personnel would then correct the orders. However, when AT&T sent orders with this USOC on September 29, all of

217. In short, BellSouth's own data indicate that: (1) most of the resale orders transmitted to BellSouth have been both submitted and processed manually; and (2) more than two-thirds of the orders submitted through the LENS and EDI interfaces have fallen out of the system for manual processing.

C. Billing

218. In its SGAT and its interconnection agreement with AT&T, BellSouth has committed to provide the CABS-formatted billing that AT&T desires.[132] Nevertheless, BellSouth has yet to demonstrate that it can provide AT&T with parity of access to customer usage data or wholesale billing information.

219. Contrary to the assertions of Mr. Stacy and Mr. Hollett, BellSouth has not

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the orders were rejected, and a rejection notice was simply transmitted back to AT&T. When the AT&T workcenter called the Atlanta LCSC (which is responsible for AT&T's orders), no one answered; the call was transferred to the Birmingham office of the LCSC, which informed AT&T that it could not access the orders and, in any event, had received no instructions regarding the issue. The Birmingham LCSC office suggested that AT&T call the Atlanta LCSC, but was unable to tell AT&T when that office would be available. When AT&T finally was able to reach the Atlanta office of the LCSC on Tuesday, September 30, that office said that it had not been advised of the agreed-upon procedure. AT&T then escalated the issue to the BellSouth Account Team, which acknowledged that the information had not been transmitted to either office of the LCSC.

[132] The SGAT states that BellSouth will provide billing for interconnection services through the Carrier Access Billing System ("CABS"), and CABS-formatted billing for UNEs and resold services. SGAT, pp. 5, 8, 23. The Interconnection Agreement between AT&T and BellSouth provides that, within 180 days of its effective date, BellSouth must provide all bills to AT&T using only CABS or the CABS format. However, as an "interim" measure, BellSouth is providing AT&T with bills in the Customer Records Information System ("CRIS")/CLUB format for resale services, unbundled ports, and loop/port combinations. Interconnection Agreement, Att. 6, § 2.1; see also Hollett Aff., ¶ 7.

provided nondiscriminatory access to usage data.[133] The recorded usage data provided by BellSouth has contained repeated and substantial errors, including coding errors and failure to provide messages in the proper rated or unrated format. BellSouth promised to correct many of these errors months ago, but the problems remain unresolved.[134] In the case of usage data regarding information service providers, BellSouth is unnecessarily delaying its prior commitments to provide rated messages -- or is refusing to provide rated messages at all, making it impossible to bill the call.[135] Mr. Hollett's promises to implement additional controls and preventive measures in the transmission of usage data is simply another indication of BellSouth's

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[133] See Stacy OSS Aff., ¶¶ 101, 103, 106; Hollett Aff., ¶¶ 8-11. The SGAT states that BellSouth will supply customer daily usage data that "provides detailed information for determining billable usage for services such as directory assistance or toll calls associated with a resold line or a ported telephone number." Id., p. 7. Although the SGAT does not reference BellSouth's Ordering Guides, both of the Ordering Guides address customer usage data, but only as an "optional Billable Daily Usage File." See, e.g., Resale Ordering Guidelines, Tab 20. With respect to customer usage data, the Interconnection Agreement requires BellSouth to provide AT&T with customer usage data in a standard format via a batch file transfer. Interconnection Agreement, § 28.8 & Att. 7.

[134] See Attachment 45, letter from Rebecca Bennett (AT&T) to Gary Romanick (BellSouth), dated September 19, 1997, and attachment thereto (describing the types and background of BellSouth's usage errors); Attachment 46 (update of list of BellSouth usage data errors and history through September 22, 1997).

[135] See letter from Pamela Nelson (AT&T) to Jan Burriss (BellSouth), dated September 30, 1997 (Attachment 47 hereto). BellSouth has failed to furnish this data despite the provisions of the Interconnection Agreement, which expressly require BellSouth to provide it. See Interconnection Agreement, Att. 7, § 3.1 (requiring BellSouth to provide rated calls to information reached via BellSouth facilities).

deficient performance in this area. Hollett Aff., ¶¶ 9, 11.[136]

220. In addition, BellSouth currently cannot transmit to CLECs all of the usage data that it records. Although BellSouth records 100 percent of all originating calls made in its central offices, it only provides CLECs with the records of calls which are associated with charges to the end user under BellSouth's tariffs. Without more complete data, new entrants are unable to check the accuracy of a bill, track costs for purposes of creating their own pricing structure, or monitor network usage to create more efficient networks. The lack of access to complete usage data denies parity to CLECs, since BellSouth can readily access all usage data that it records for its retail operations. BellSouth, however, has indicated that it will not be able to provide complete usage data until the end of 1997.

221. Furthermore, despite the requirements of the SGAT and the Interconnection Agreement that BellSouth provide CABS or CABS-formatted bills, BellSouth currently lacks the capability to provide such bills for resold services and certain network elements. Mr. Hollett acknowledges that resold services and "some" UNEs are currently billed through CRIS, not CABS. Hollett Aff., ¶ 5. Although BellSouth previously advised AT&T that it would send AT&T a test file on July 2, 1997 so that the parties could implement all bills in CABS format no later than August 3, 1997, that did not happen. BellSouth did not send AT&T the test file until July 24, 1997, and that test file proved to have fatal errors. On August 25, 1997, BellSouth sent

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[136] Mr. Stacy's description of the billing daily usage file as an "optional" interface is flatly wrong. See Stacy OSS Aff., ¶ 103. BellSouth must provide nondiscriminatory access to that file, pursuant to its obligation to provide the same access to the billing OSSs that BellSouth makes available to itself -- including the billing daily usage file. Local Competition Order, ¶ 523.

another test file. Although that file did not contain the fatal errors found in the July file, the billing data that it contained could not be made to balance either internally (summary data was not equal to the sum of the detailed information) or in comparison to the monthly order activity it purported to represent.[137] Although Mr. Hollett suggests that the test file was out of balance by only $1.00, the test file was actually out of balance by more than $1,800 on two billing account numbers -- which was a significant amount, considering the low volume in the testing mode. Because BellSouth has failed to correct the problem, it is still not possible to complete the transition to CABS. BellSouth continues to send AT&T bills in the "test" mode, which AT&T continues to analyze for accuracy.

222. As Mr. Pfau notes in his affidavit, BellSouth has submitted no data on the timeliness, completeness and accuracy of bills provided to CLECs, as opposed to BellSouth's own billing, even though the Commission has specifically requested such data. Mr. Hollett concedes that in several instances BellSouth has double-billed the accounts of some AT&T customers of resold services in Georgia, continuing to bill customers who had migrated to AT&T after the migration became effective. Hollett Aff., ¶ 12. In one of those instances, the customer was terminated by BellSouth for non-payment. Although Mr. Hollett asserts that BellSouth "will be implementing a process by year end 1997 that will eliminate any potential for double billing," his

[137] Mr. Hollett's description of this sequence of events is self-serving and incorrect. See Hollett Aff., ¶ 7. Although he suggests that BellSouth supplied a test file in advance of the August 3 contract date, he fails to mention BellSouth's commitment to send AT&T a test file by July 2.

assertion suggests that the problem has not yet been corrected.[138]

223. Similarly, Mr. Milner concedes that BellSouth's billing systems have experienced problems affecting the accuracy of resold services. The ability to incorporate CLEC-specific discount levels was not incorporated into CRIS until late August in most states in the BellSouth region, and not until September 20 in Florida. Milner Aff., ¶ 107. Discounts were not appropriately applied to non-recurring charges associated with retail services. Id., ¶ 108. Although Mr. Milner asserts that these problems have been overcome (without specifying when that occurred), these problems indicate serious deficiencies in BellSouth's systems -- and the unreliability of any testing that BellSouth has purportedly performed on them.

D. The Inadequate Testing of BellSouth's Interfaces

224. In view of the numerous respects in which BellSouth's interfaces have failed to provide parity of access under actual commercial operations, the testimony of BellSouth's witnesses Stacy, Milner, and Hollett concerning BellSouth's alleged testing is simply immaterial. As the Commission has recognized, where, as here, a CLEC is seeking to use particular interfaces, the proper test of operational readiness is actual commercial usage. Ameritech Michigan Order, ¶¶ 138, 163. Even if testing data were relevant, BellSouth's "testing evidence" simply shows that its testing has been inadequate, incomplete, or nonexistent.

225. Although Mr. Stacy and Mr. Hollett make a series of highly generalized

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[138] Hollett Aff., ¶ 12. The Commission has correctly described double-billing as "a serious problem that has a direct impact on customers and, therefore, must be eliminated." Ameritech Michigan Order, ¶ 203.

contentions that BellSouth has conducted testing of its interfaces, both internally and with other CLECs, they provide only two documents that arguably are evidence of testing of the interfaces for resellers -- and those documents involve only capacity testing.[139] They provide no other data, results, or documents in support of their numerous claims of internal and external testing.

226. By Mr. Stacy's own admission, much of the testing with CLECs that he cites is "connectivity testing," which is conducted for the limited purpose of ensuring "that the connections between BellSouth and the CLEC are working properly." Stacy OSS Aff., ¶¶ 124, 129. Such tests measure only whether a connection has been established between the two systems -- i.e., whether there is a path over which the two systems can exchange a certain band-width of data. Connectivity testing does not measure "nondiscriminatory access . . . . beyond the interface component," in such critical areas as whether the system has the capacity to carry specified volumes of orders, whether certain types of orders will flow through BellSouth's legacy systems, or whether orders of a specified content will pass the edits in BellSouth's systems. See Ameritech Michigan Order, ¶ 135.

227. Similarly, the test summaries submitted by BellSouth's witness Milner show that the "end-to-end testing" conducted by BellSouth was purely internal testing that did not involve the interfaces offered to CLECs. There is no indication that the second phase of the

[139] See Stacy OSS Aff., ¶¶ 117-134 & Exhs. WNS-42 and WNS-45; Hollett Aff., ¶ 15. As discussed below in Part V, even the capacity testing purportedly conducted by BellSouth is not complete.

BellSouth test plan, which was supposed to test the electronic interfaces, was ever performed.[140]

228. Other available information confirms that BellSouth's testing of its interfaces has been inadequate, incomplete, or nonexistent. For example, just two months ago BellSouth described state-specific testing of LENS in each of the nine states of its region as an "urgent" priority, and indicated that it "needed" such testing by October 15, 1997.[141] Only recently did BellSouth even attempt to conduct a study of the response times in its LENS pre-ordering system. The testing has been purely internal, and the methodology of the study was so flawed that BellSouth reneged on a previous commitment to produce the results of the study after it was advised by the Department of Justice that the methodology was unacceptable.[142]

229. Mr. Stacy appears to confirm that BellSouth has not completed its study of pre-ordering times under the methodology suggested by the Department of Justice, stating that "Procedures are currently being implemented to begin using the Navigator routines to measure

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[140] See Affidavit of W. Keith Milner ("Milner Aff."), ¶¶ 5-8 & Exh. WKM-1. Indeed, the documents attached to Mr. Milner's affidavit indicate that a number of problems occurred in the testing even without involvement of the interfaces. See, e.g., id., Exh. WKM-1, Tab 29 (results of "end-to-end test" of Flexserv for resale state that "when service orders were tested in a production environment, several roadblocks were encountered"). Although the test results state that such roadblocks were addressed and resolved, they show that BellSouth's approach of testing single orders in a limited testing environment was insufficient.

[141] See Attachment 48 hereto, Late-Filed Exhibit No. 10 to Deposition of William R. Stacy, filed by BellSouth on August 14, 1997, in Docket No. 960786-TL (Fla. PSC), p. 3.

[142] See Testimony of William Stacy in Docket Nos. 6863-U and 7253-U, In re: Consideration of BellSouth Telecommunications, Inc.'s Entry Into InterLATA Services Pursuant to Section 271 of the Telecommunications Act of 1996, (Ga. PSC), transcript of July 16, 1997, proceedings, pp. 4039-4040, 4052-4054 (Attachment 49 hereto).

LENS as well as RNS response times." Stacy OSS Aff., ¶ 110. Instead, he offers two measures of response times, which he acknowledges use different measurement scales. Id. Mr. Stacy's data are inherently unreliable, given his failure to supply any details regarding the tests. Pfau Aff., ¶ 72. Moreover, the two measures differ substantially from one another in terms of the number of days and calls used in the sample, and in the number of "representative" BellSouth sites used. Id., Stacy OSS Aff., Exh. WNS-37. In addition to these inconsistencies, the two measures -- which purport to show that the response times for some or all of certain pre-ordering functions are lower for CLECs than they are for BellSouth -- conflict with data submitted by BellSouth in Florida only last month, which showed different results using a different methodology (and which showed that BellSouth experienced lower response times).[143] These three sets of data, each of which uses a different methodology, are no substitute for comprehensive testing. They certainly do not support Mr. Stacy's claim of nondiscriminatory access.

230. Aside from the current testing of the test file for billing provided by BellSouth (¶ 221, supra), the only current BellSouth interface that BellSouth and AT&T have

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[143] The second page of Exhibit WNS-37 was a discovery response that BellSouth submitted on September 11, 1997 -- less than three weeks prior to BellSouth's application -- to the Kentucky Public Service Commission. See Attachment 50 hereto, letter from Creighton E. Maranon, Sr. (BellSouth counsel), to Don Mills, Executive Director, Kentucky PSC, dated September 11, 1997. At almost the same time, BellSouth submitted data on pre-ordering response times in the Florida proceeding, with very different results (and substantially lower response times) for RNS. See Attachment 26 hereto, Response of BellSouth to AT&T's First Set of Interrogatories in Docket No. 960786-TL (Fla. PSC), response to Item No. 32. The three sets of BellSouth's response time data are based on substantially different time frames (ranging from 3 to 39 days for LENS, and from 1 to 5 days for RNS) and in the number of calls used in the sample (with the "newer, more consistent" measure described by Mr. Stacy using the lowest volume of calls). Id.; Stacy OSS Aff., ¶ 109 & Exh. WNS-37.